

Population Aging Raises Questions for Policymakers

Asia-Pacific Population & Policy summarizes research on population and reproductive health for policymakers and others concerned with the Asia-Pacific region.

This publication was made possible through support from the Asia/Near East Bureau of the United States Agency for International Development (USAID). The opinions expressed do not necessarily reflect the views of the East-West Center or of its supporters.

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Number 53
April 2000

ISSN 0891-6683

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The year 2000 is a demographic watershed for Asia. After an unprecedented century of growth, the number of children reached a peak in 1999 and, with the turn of the millennium, will begin a slow, steady decline. At the same time, mortality has dropped dramatically. Life expectancy at birth increased from 41 in the early 1950s to 60 by the early 1980s and is projected to reach 68 between 2000 and 2005. Three phenomena—the enormous, sustained baby boom that characterized the twentieth century, the decline in fertility that will characterize the twenty-first, and the continuing, steady decline in mortality—all have major implications for the size and age structure of Asian populations.

All across Asia, the proportions of national populations age 65 and above are expected to grow rapidly over the next 50 years. This process of population aging is already clearly visible in the economically advanced countries of East Asia. It is beginning in the Southeast Asian countries that have successfully increased life expectancy and reduced fertility, and it can be anticipated even in the South Asian countries where the number of children today is still high. What implications do these trends have for the region's policymakers?

This issue of *Asia-Pacific Population & Policy* examines the size of the elderly population in Asia—both current levels and what can be predicted for the next 50 years—and discusses

some of the characteristics of Asia's elderly population. Information is based on a study of population momentum and population aging currently in progress at the East-West Center. The project relies on demographic data prepared by the United Nations for the 32 countries in East, Southeast, and South Asia with populations of 150,000 or more. Work is supported by funding from the Asia/Near East Bureau of the United States Agency for International Development (USAID).

MORE WILL BE ELDERLY

With high fertility in the past and rising life expectancies in the future, the number of elderly in Asia will increase rapidly over the next 50 years (Table 1). Using medium mortality estimates, projections are for Asia's population age 65 and above to increase between 2000 and 2050 by about 3 percent a year. For the region as a whole and for each country and subregion examined, growth will be fastest during the first half of this period—from 2000 to 2025. Among subregions, growth rates of the elderly population will be highest in Southeast Asia followed by South Asia and then East Asia.

Rapid growth in the number of children produced a younger and younger population until the mid-1970s, and then, with reduced fertility in the region, the proportion under age 15 in the population as a whole began a steep

Table 1 Projected growth of Asia's elderly population

	Number of people age 65 and above (1,000s)		
	2000	2025	2050
Asia	207,350	454,964	864,615
East Asia	114,390	241,217	389,089
Southeast Asia	24,503	58,253	131,138
South Asia	68,457	155,494	344,388

Source: United Nations Population Division. 1998. *World Population 1950–2050: The 1998 revision*. New York: United Nations.

Notes: East Asia includes: China, Hong Kong, Japan, Macao, Mongolia, North Korea, and South Korea. Southeast Asia includes: Brunei, Cambodia, East Timor, Indonesia, Lao Republic, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam. South Asia includes: Afghanistan, Bangladesh, Bhutan, India, Iran, Kazakhstan, Kyrgyzstan, Maldives, Nepal, Pakistan, Sri Lanka, Tajikistan, Turkmenistan, and Uzbekistan. All data are based on the United Nations' medium fertility variant. The analysis does not include Taiwan.

decline (Figure 1). During the same period, the proportion of elderly has risen, but very slowly. The result has been a substantial expansion of the proportion of the population of working age. Many scholars have attributed the rapid economic growth in several Asian countries in part to this increase in the proportion of working-age adults, compared with the proportion of children and elderly dependents.

In 2000, an estimated 30 percent of Asia's total population is under age 15,

6 percent is 65 and older, and 64 percent is in the working-age group of 15 to 64. The average age throughout the region is 29. United Nations medium projections estimate that the proportion of working age will be the same in 2050, at 64 percent, but there will be a dramatic shift in the proportion of children and the elderly. The proportion under age 15 will drop to 19 percent, and the proportion 65 and older will rise to 18 percent. The average age will be 40.

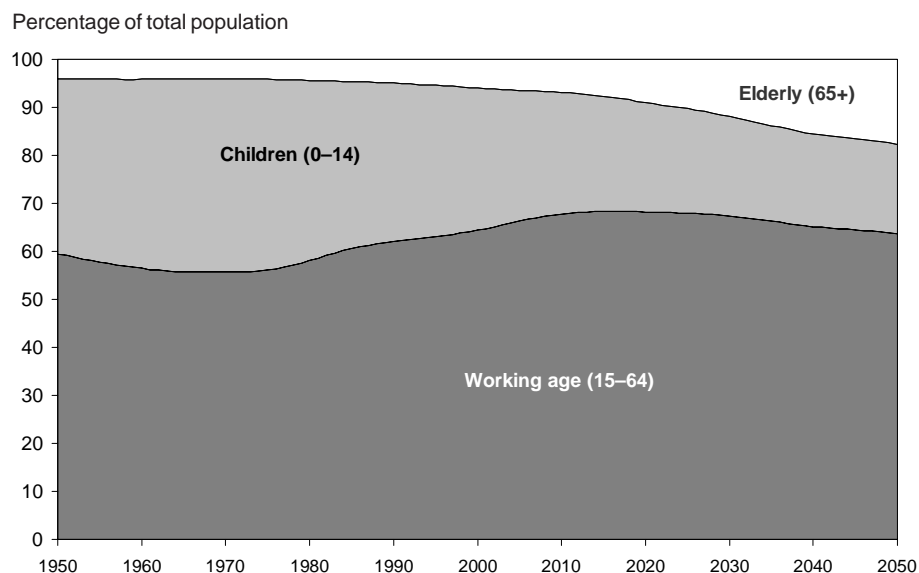


Figure 1 Asia's age transition, 1950–2050.

Source: See Table 1.

In general, the countries of East Asia are furthest along in the population-aging process, followed by Southeast Asia and then South Asia. Japan has the oldest population in the region, followed by Singapore. Among Asia's major countries, Pakistan has the youngest population.

The age pyramid for India (Figure 2) is typical of a population just entering the demographic transition from high to low fertility. There is a broad base consisting of large numbers of children and a narrow top made up of relatively small numbers of elderly.

By contrast, Japan's population was the first in the region to experience the shift to low fertility, with the proportion of children in the population beginning to decline as early as the 1950s. With the longest life expectancy in the world, the proportion of elderly in the Japanese population has been increasing rapidly since the 1970s. The age pyramid for Japan's population shows the results of these two trends (Figure 2)—small numbers of children, and the tapering pyramid shape does not start until the 55–59-year-old age group.

AND MORE OF THE ELDERLY WILL BE VERY OLD

Today, Asia's elderly are concentrated primarily in the younger segments of the old-age population group. Over time, however, the greatest increases in population will occur in the oldest age groups. This will happen as life expectancy increases and as large groups born during past periods of high fertility grow older. Of all Asians age 55 and older, roughly one-half are now between the ages of 55 and 64, about one-third are between 65 and 74, and almost one-sixth are 75 and above.

These proportions will remain fairly stable over the next 25 years, but over the following 25-year period the propor-

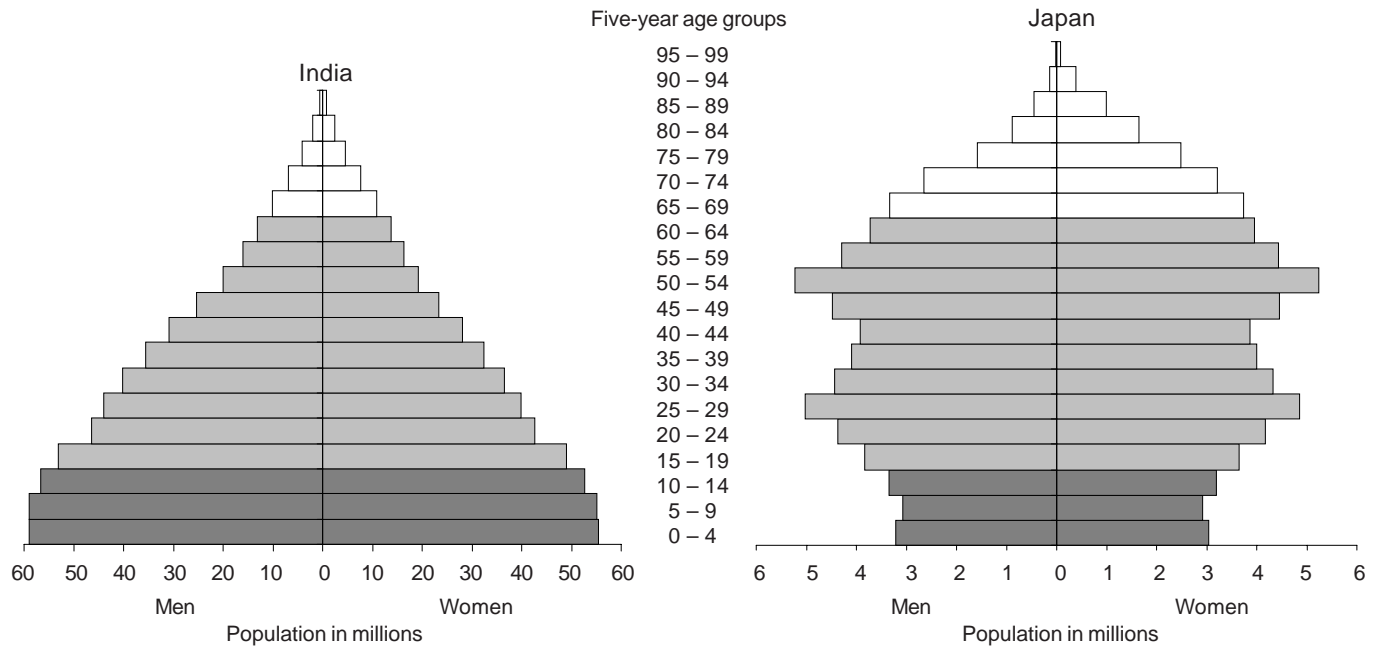


Figure 2 Population pyramids for India and Japan, 2000

Source: See Table 1.

tion in the oldest age group (75 and above) is expected to increase substantially: From 15 percent in 2000 to 17 percent in 2025 and then up to 27 percent in 2050.

The proportions in the oldest age groups are highest in the economically advanced countries of East Asia, and by 2050 the differences between subregions will be even greater. In Japan, 23 percent of the population above age 55 are above 75, and the proportion of “the oldest old” is projected to rise to 43 percent by 2050. In India, by contrast, only 14 percent of the elderly population are now in the oldest age category, projected to increase to 22 percent by 2050.

MOSTLY WOMEN, MOSTLY MARRIED

In most countries of Asia, older women outnumber older men, particularly in the oldest age groups. Today, among the population age 55 and above, there are about 90 men in Asia for every 100 women. Among those age 75 and above, there are only about 70 men for every 100 women. This is a persistent feature

of Asia’s population that is not expected to change much over the next 50 years.

Traditionally, nearly everyone in Asia has married, and very few have divorced. Thus, nearly all of the men and women who are now elderly have been married. As life expectancies rise for both men and for women, the proportion of the elderly who are widowed is projected to go down sharply.

Today, just over one-half (52 percent) of all South Korean women age 65 to 69 are widows. This proportion is expected to drop to only 17 percent by 2050. In Thailand, 32 percent of women in this age group are widowed today, and this proportion is also projected to drop to 17 percent by 2050.

Many fewer elderly men are widowed, partly because women tend to live longer and partly because men who lose a spouse are more likely than women to remarry. Among 65–69-year old men in 2000, only 8 percent in South Korea are widowers and only 10 percent in Thailand.

The declines in proportions widowed have potentially far-reaching, but

complex, implications for the well-being of Asia’s elderly population. Older men and women can expect to have a surviving spouse to a much later age than in the past. An elderly spouse may be an important resource, providing personal care and financial support, or a spouse may be a drain on the limited resources of the elderly partner.

FEWER ADULT CHILDREN

Another issue with important implications for the elderly is whether or not they will have adult children who can provide financial support and personal care. This is of particular concern in Asia where most of the elderly live with their adult children and where pension schemes and retirement homes are virtually unheard-of except in a handful of economically advanced countries.

No one can predict whether today’s young people will be willing—or able—to look after their parents some day, but it is possible to estimate how many people of working age will be available, in principle, to care for tomorrow’s eld-

erly population. Among the 32 countries covered in this study, the total fertility rate has already declined to well below replacement level (2.1 children per woman) in China (including Hong Kong), Japan, Singapore, South Korea, and Thailand. United Nations medium projections anticipate that fertility will drop to replacement level or below in all but a few Asian countries over the next 15 years.

Today's fertility levels have a direct bearing on the size of tomorrow's workforce. In 2000, there are nearly 12 people of working age in Asia for each person age 65 and above. In 2050, there will only be four, and in Japan, there will be less than two. At the level of the individual family, this situation is more precarious than even these figures suggest. With the decline in childbearing to low levels, elderly parents will be increasingly dependent on one or two adult children. The illness, death, or estrangement of even a single adult child can threaten the viability of the entire family support system.

MORE WILL HAVE RETIRED

The number of older workers in Asia has increased over the past 50 years and will continue to increase, but this is due entirely to the growing number of people in this age group. The labor force participation rate, or proportion of the elderly who work, is actually projected to go down slightly—from 25 percent of the population 65 and above in 2000 to 22 percent in 2050.

Older men in Asia have traditionally worked in agriculture, and many find it increasingly difficult to earn a living as Asian economies shift toward manufacturing and the service industries. With rapid technological change and expanding educational opportunities for the young, older workers are becoming less competitive in today's job market.

Labor force participation varies widely among specific subregions and countries. In Asia's most economically advanced nations, such as Japan and South Korea, older workers have accumulated enough personal savings and pension benefits to retire earlier than in the past. Among Japanese men age 55 and above, labor force participation rates are projected to fall from 41 percent in 2000 to 29 percent in 2050. By contrast, among Indian men in this age group, labor force participation is higher than in Japan today and is projected to decline much less—from 46 percent in 2000 to 41 percent in 2050.

Older women in Asia are much less likely to work than older men. In 2000, there are about 150 men age 55 and above in the labor force for every 100 working women in this age group. The preponderance of men in the work force is even larger for the oldest age groups. Among those 65 and above, there are 250 men in the labor force for every 100 women who work. This situation is not expected to change much over the next 50 years.

As labor force participation declines among the elderly, more of the older population will have to depend for financial support on pension schemes, on the savings they have accumulated, or on help from their children. Will support actually be available from any of these sources?

QUESTIONS FOR POLICYMAKERS

This analysis of United Nations demographic data suggests that the elderly population will expand dramatically in Asia over the next 50 years—both in terms of absolute numbers and as a proportion of Asian populations as a whole. This changing situation presents a clear challenge to policymakers: Who will provide Asia's growing

elderly population with the personal care and financial support they will need?

Traditionally, old people in Asia have been supported and cared for by their families, but there are clear indications that family-support systems are eroding. What private-sector or public-sector institutions will evolve to meet the needs of tomorrow's elderly generations? And how will investments in care for the elderly be balanced against requirements for economic growth and the needs of other population groups?

Only a few Asian countries, such as Japan and Singapore, have pension schemes that cover more than a fraction of the elderly population. Some of the provinces and cities of China are experimenting with various approaches to financing retirement benefits. In other countries of the region, however, pension schemes exist in theory but cover very few workers. Few resources are allocated to support pension schemes in these countries—only 0.22 percent of gross domestic product (GDP) in India and 0.14 percent in South Korea, for example.

In addition to funding and implementing pension schemes, policymakers will face particularly hard choices in the allocation of health-care resources. The cost of treating chronic diseases that affect the elderly, such as cancer and heart disease, are skyrocketing in countries where childhood diseases, such as polio and measles, are still widespread. In some of these countries, infectious diseases such as malaria, tuberculosis, and HIV/AIDS also affect large numbers.

The social security systems and health-care plans that are formulated and implemented over the next few years will influence the well-being of people in Asia for decades to come. The next issue of *Asia-Pacific Population & Policy* will discuss some of the challenges and policy options of population aging in more detail.